



*United States Attorney  
Southern District of New York*

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**U.S. ARRESTS FIVE MEMBERS OF NEW CITY FAMILY FOR  
GOLD MINE INVESTMENT AND INTERNET WHOLESALER FRAUDS**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that JAMES RUSSO, RITA RUSSO, ELIZABETH RUSSO, RUDOLFO RUSSO a/k/a "Rudy", and THOMAS RUSSO, from New City, New York, were arrested today on charges that they conspired together over a period of more than fifteen years to defraud victims around the country through a phony investment scheme and fraudulent internet wholesaler schemes. The RUSSOS received nearly \$2 million from victims who believed they were investing in an alleged gold mining operation in Brazil, and more than \$1.5 million from victims who did not receive the wholesale goods they ordered over the internet. JAMES and RITA RUSSO are husband and wife and ELIZABETH, RUDOLFO a/k/a "Rudy" and THOMAS RUSSO are their adult children.

According to a criminal Complaint filed Wednesday in Manhattan federal court and unsealed today, from at least in or about September 1987 through in or about November 2005, the RUSSOS operated several different schemes to defraud. First, the RUSSOS victimized at least four people by creating a fraudulent investment scheme involving an alleged gold mining operation in Brazil. The RUSSOS got their victims to give them nearly \$2 million over the course of the last eighteen years, promising their victims that they would receive a percentage of the proceeds when the alleged gold mine was eventually sold. Despite years of promises by the RUSSOS, the victims received nothing.

Second, according to the Complaint, the RUSSOS have operated a series of internet wholesaler scams, using the names R & S Wholesale, Russo & Sons Wholesale, GinaLiz Industries, Global Liquidators & Auctioneers, and Action Liquidators. According to the Complaint, each of these scams followed a similar pattern: the RUSSOS would incorporate a business and create a website, advertising high-end electronics, home furnishings, and tools, all in original packaging and in new condition, but offered at

wholesale prices due to liquidations, closeouts, or overstocks. The RUSSOS would take orders for pallet-sized quantities of this merchandise from customers and direct the customers to wire payment to a designated bank account. Some of the customers never received any merchandise in exchange for their payment, while others received junk, such as burned-out microwave ovens or broken, out-of-date telephones. Still others received crates of extremely low-end merchandise, far different in quality and value than the items ordered.

The defendants JAMES RUSSO, RITA RUSSO, ELIZABETH RUSSO, RUDOLFO RUSSO a/k/a "Rudy", and THOMAS RUSSO are each charged with one count of conspiracy to commit wire fraud. If convicted on this charge, they face a maximum sentence of 20 years' imprisonment and a maximum fine of \$250,000 or twice the gross pecuniary loss or gain derived from the offense.

The defendants were presented today in White Plains federal court and were released on bail.

Mr. GARCIA praised the efforts of the Federal Bureau of Investigation in this case.

Assistant United States Attorney MARGARET GARNETT is in charge of this prosecution.

The charges in the criminal Complaint are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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